

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

PROMESA  
Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>1</sup>

SUPPLEMENT TO THE VERIFIED STATEMENT OF PHOENIX  
MANAGEMENT SERVICES, LLC, FINANCIAL ADVISOR TO THE  
MEDIATION TEAM, DISCLOSING CONNECTIONS TO MATERIAL  
INTERESTED PARTIES PURSUANT TO  
THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURE ACT

Pursuant to the *Order Approving the List of Material Interested Parties Pursuant to The Puerto Rico Recovery Accuracy In Disclosures Act* [ECF No. 204671] (the “Order”)<sup>2</sup> and the *Puerto Rico Recovery Accuracy in Disclosures Act*, Pub. L. No. 117-82 (“PRRADA”), Phoenix Management Services, LLC (“Phoenix”), hereby submits this supplement to the Verified Statement (the “Supplemental Statement”), which conforms to the disclosure requirements of

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> All docket entry references herein are to entries in Case No. 17-3283, unless otherwise specified.

Rule 2014(a) of the Federal Rules of Bankruptcy Procedure and sets forth the connection of Phoenix with any other Material Interested Party (“MIP”).

On February 22, 2022, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Title III Debtors pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), filed the *Motion of Financial Oversight and Management Board for Puerto Rico Requesting Order Approving Proposed List of Material Interested Parties Pursuant to the Puerto Rico Recovery Accuracy in Disclosures Act* [ECF No. 20194] (the “Motion”), seeking Court approval of a list of material interested parties attached thereto as Exhibit A (the “Initial MIP List”) pursuant to PRRADA.

On March 21, 2022, the Court entered its *Order Regarding Proposed List of Material Interested Parties Pursuant to the Puerto Rico Recovery Accuracy in Disclosure Act* [ECF No. 20419], directing the Oversight Board to file an amended MIP List.

On March 29, 2022, the Oversight Board filed the *Notice of Filing Amended List of Material Interested Parties Pursuant to Puerto Rico Recovery Accuracy in Disclosures Act* [ECF No. 20458], which attached a list of material interested parties with respect to all Title III Debtors as Exhibit A thereto (the “Amended MIP List”).

On March 30, 2022, the Court entered the Order, which approved the Amended MIP List and directed all professionals to file the disclosures required under PRRADA by May 16, 2022.

On May 16, 2022, Phoenix filed its initial Verified Statement disclosing connections to material interested parties pursuant to PRRADA [ECF No. 20804] (the “Verified Statement”).

In support of this Supplemental Statement, Phoenix relies upon the declaration of Brian F. Gleason (the “Supplemental Gleason Declaration”), attached hereto as Exhibit A, and respectfully states as follows:

1. Phoenix does not represent, or have any other connection with, any of the MIPs, except as set forth in the Gleason Declaration filed May 16, 2022 and supplemented here with additional disclosure in the Supplemental Gleason Declaration.

2. Phoenix will further supplement its Verified Statement and the Gleason Declaration if any facts or circumstances are discovered that require additional disclosure.

Pursuant to 28 U.S.C. § 1746, the undersigned hereby declares under penalty of perjury that the foregoing is true and correct to the best of his information, knowledge, and belief.

Executed on June 28, 2022.

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Brian F. Gleason

**Exhibit A**

**Brian F. Gleason Supplemental Declaration**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>1</sup>

**DECLARATION OF BRIAN F. GLEASON IN SUPPORT OF SUPPLEMENT TO  
THE VERIFIED STATEMENT OF PHOENIX MANAGEMENT SERVICES,  
LLC, FINANCIAL ADVISOR TO THE MEDIATION TEAM, DISCLOSING  
CONNECTIONS TO MATERIAL INTERESTED PARTIES PURSUANT TO  
PUERTO RICO RECOVERY ACCURACY IN DISCLOSURE ACT**

I, Brian F. Gleason, hereby declare that the following statements are true and correct to the best of my knowledge after due inquiry as described herein.

1. I am a shareholder of Phoenix Management Services, LLC (“Phoenix”), which maintains offices at 110 Commons Court, Chadds Ford, PA 19317. I have personal knowledge of the matters set forth herein, and if called and sworn as a witness, I could and would testify competently thereto.

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2. This Declaration is made in support of the supplement to the verified statement (the “Supplemental Statement”) of Phoenix disclosing connections to MIPs as required under PRRADA.

3. Phoenix was engaged by the Mediation Team in the Puerto Rico restructuring process in August 2017. On January 2022, the Court entered an order [ECF No. 19833] terminating the appointment of that Mediation Team.

### **Phoenix’s Supplemental Disclosure**

This Declaration and the Supplemental Statement shall serve as a supplement to Phoenix’s initial Verified Statement.<sup>2</sup>

Phoenix’s application for employment is filed as Docket #1018. The Order Authorizing Employment and Payment of Phoenix Management Services, LLC is filed as Docket #1100. In the application, Phoenix’s scope of services is identified as:

- Assist the Mediation Team with:
  - Understanding the fiscal plan(s) based on all data made available;
  - Understanding the types of consideration that may be offered under plans of adjustment; and
  - Identifying capital structures and debt restructuring techniques that may be useful in mediating plans of adjustment;
- Provide other services to the Mediation Team that may be requested to support facilitative and directive mediation sessions, including, but not limited to:
  - Identifying financial and information-related observations made by the parties to

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<sup>2</sup> Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to such terms in the Supplemental Statement.

- identify common ground on assumptions and methodologies, factual consistencies and inconsistencies, disjointed perceptions and incomplete information;
- Sharing insights with the Mediators and participants, as appropriate, including reflecting and reframing parties' comments;
  - Helping the Mediators work through overlapping financial issues and impacts across the different mediations; and
  - Helping the Mediators identify underlying priorities and options for negotiated resolutions related to ongoing financial issues on-island; and
- Provide other services as requested by the Mediation Team.

Additionally, Phoenix's retention application disclosed the following hourly rates, which were in effect as of August 3, 2017:

Senior Managing Directors \$495 - \$695  
Senior Advisors \$400 - \$650  
Managing Directors \$395 - \$525  
Directors & Senior Directors \$320 - \$450  
Vice Presidents, Associates & Analysts \$150 - \$350  
Support Staff \$75 - \$150

In the initial Verified Statement, Phoenix identified that as part of its extensive restructuring practice, Phoenix and its affiliates are occasionally retained by clients through law firms and identified two Material Interested Parties with whom Phoenix has had this arrangement.

Phoenix discloses that we had two separate engagements that involved Material Interested Parties: Greenberg Traurig and Morgan Lewis. In each of these cases we provided turnaround and restructuring services to clients of these firms through these engagements. Neither of the clients of the law firms are Material Interested Parties and to the best of Phoenix's

knowledge neither of these parties had any relationship with Puerto Rico. As part of these engagements, Phoenix executed confidentiality agreements. We have privately disclosed to the US Trustees Office the nature of these engagements.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

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Brian F. Gleason  
Sr. Managing Director and Shareholder  
Phoenix Management Services, LLC